

PARTNERS IN IMPROVEMENT AND PROTECTION OF THE ENVIRONMENT (PIPE)

STATUS REPORT FOR FY 2012

Since 1993 the PIPE Program has provided financial assistance to low and moderate income households. This assistance funds connection to the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) sewer and water systems, and replacement of failing septic systems in areas of the County without sewer availability. In addition to sewer connections, water connections and septic tank replacement, the PIPE program also provides assistance with the payment of Utility Expansion Charges (UEC's). UEC's are charges imposed by the ABCWUA for initial connection to the system and are intended to defray the cost of large infrastructure that every customer will utilize – for example, the wastewater treatment plant.

From 1993 until February of 2003, the PIPE program was administered by the Bernalillo County Environmental Health Department. In February of 2003, because of the County-wide reorganization, the program was transferred to the Water Resources Program of the Infrastructure Planning Department at Public Works. This has enabled the PIPE program to coordinate more closely with the project engineers of the Valley Utilities Project; the goal of which is to extend water and wastewater services to the developed but unserved areas of the North and South Valley. While sewer expansion through the North and South Valley is nearly complete, extension of water service into the South Valley is on-going, and water service has also been extended into the Carnuel area.

Over the course of the program, the City of Albuquerque and the successor water utility, the Albuquerque Bernalillo County Water Utility Authority, have contributed \$ 4,500,000 million to fund two-thirds the cost of the connection to the Utility sewer system. The County provides associated matching funds for the remaining 1/3 of the costs, plus provides sole funding for septic tank replacement costs in areas not serviced by the ABCWUA.

Total expenditures for the program to date are \$5,684,341.62. Current life-to-date funding available is \$806,642 comprising \$595,883 of funding from ABCWUA and \$210,759 in County funds. This suggests that the County is currently slightly underfunded for its portion. Additionally, the current year County budget for low income assistance with on-site wastewater system is funded at \$62,009. The last two fiscal years have shown baseline level annual expenditures to be approximately \$325,000

An associated loan program in process (CONNECT) is under formulation to assist residents who do not qualify for PIPE. Although administered by PIPE staff and similar in nature, it will be a separate program and tracked and reported accordingly. A separate funding source will be needed to operate the loan program.

Fiscal Year 2012

Financials

In FY 2012 total expenditures for sewer connections, water connections, sewer UECs, water UECs, septic tank pumping and septic tank replacement were \$286,649.63. For expenditures incurred in FY 2012, the Program has requested reimbursements of \$183,926.43 (Reimbursement #s 47, 48, 49, 50). . Requested reimbursements have been received, with the exception of #50, which was in the amount of 34,788.15 and requested on 7/11/12. No problems are anticipated in receipt of the outstanding amount.

Accomplishments for FY 2012

- Connected 29 households to the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) sanitary sewer system.
- Connected 24 households to the Albuquerque Bernalillo County Water Utility water system.
- Paid 32 sewer UEC's and 23 water UEC's.
- Replaced two on-site wastewater systems.

Historically, spikes in activity occurs after completion of new phases of water and sewer construction are completed and following area-specific reviews to ensure required sewer connection has occurred.

The number of water service connections provided is largely based upon the number of service connections made available through the Valley Utilities Project. The South Valley Drinking Water Project Phase 6A was recently released for connection at the end of this fiscal year, so an increase requests for assistance is anticipated for the second quarter of FY 2013.

The number of sewer service connections is now largely driven by issuance of notice of violation for failure to connect and/or failed wastewater system complaints. The number of such connections remains steady at about 25 per fiscal year.

Goals and Status:

Maintain and monitor Joint Funding Agreement

The PIPE program maintains compliance with the terms of a joint funding agreement for services from utility revenues and presents reimbursement requests on a quarterly basis. Requests for reimbursement are submitted at the end of each quarter. All reimbursements

have been presented and payments from ABCWUA have been received without undue delay during the last fiscal year.

Number of households served:

The number of households served during the subject fiscal year was consistent with the projected number of households to be served. A baseline level of activity involves 60 to 80 service connections (combined total for water and sewer) per year. A total of 53 connections were completed, plus payment of an additional 3 water UEC charges and 2 septic system installs. This totals assistance having been provided to 58 residents this last fiscal year.

Depending on the resolution of pending Wastewater System ordinance amendments, the PIPE program anticipates that assistance with wastewater system replacement may increase during the next fiscal year.

Continue to serve all Bernalillo County residents who are eligible for the PIPE Program.

Program staff and Technical Services engineers, and Office of Environmental Health staff continue to provide information about the PIPE program to residents and the public on a regular basis. As part of the program, PIPE Program staff provides fliers and letters to residents who will be receiving service. Information is provided to the general public through newspaper advertisements, flyers at community centers and libraries, interviews on Gov16, periodic mailings, during public meetings, and by other means appropriate to inform the community about services provided through the program. Current efforts are directed to water connection availability in the Carnuel area, portions of which opened for water service in FY 2011. PIPE staff are working closely with Bernalillo County Environmental Health staff and with state agencies regarding the wastewater system ordinance amendments.

In February 2012, the PIPE Program Guidelines were revised to update an eligibility requirement based upon the assessed value of the property. This value is taken from the U.S. Census Community Survey for median home value in Bernalillo County and is updated annually. This value is currently \$192,800 and reflects the value for all single family residential properties in the metropolitan area. The qualifying income levels are also adjusted annually, based on the 80% of the median income as determined by HUD. The current qualification limit is at \$34,650 for a single member household. Provisions were also added requiring that property tax payments must not be in arrears by more than two years, and that assessed property values must accurately reflect conditions on the property.

As a result of the Valley Utilities Project, the PIPE program now provides few if any, septic system replacements in the North and South Valley. The sewer expansion is largely completed, with the exception of infill project areas, whereas the water system expansion is continuing into the southern and western portions of the South Valley and into the Carnuel area.

Though most PIPE Program expenditures are related to water and sewer connection, septic system assistance is still provided where sanitary sewer is not available.

In the East Mountain area, cost per individual system is expected to be double or triple, compared to the North and South Valley, due to the need for more complex systems as required by Ordinance, and difficulty in installing the systems on sites with limited soil thickness. Accordingly, the 2012 guideline revisions increased the assistance limits for septic system replacements, recognizing the Ordinance changes may increase assistance requests for more difficult system replacements on smaller lots and in less than ideal conditions.

Septic replacement costs are borne solely by Bernalillo County and are not part of the joint funding arrangement. At the end of the fiscal year, funding was reserved for future increased septic replacement costs. Current funding for septic replacement is at approximately \$62,009. Funding availability for septic system is limited at this time and is adequate for funding only five to six systems. Current demand is for two to three systems per year, but may increase depending on pending ordinance amendments.

PIPE Program Staff:

The PIPE Program continues to operate with a small, but adequate staff.

- On a full time basis, one senior Administrative Assistant assists clients with applications and guidelines, provides information to applicants, issues requests for bids, requests purchase orders, coordinates with contractors and with ABCWUA Customer Service, tracks applicants in the database, and prepares reimbursement reports.
- In addition to other regular field duties within the Water Resources program, one technical staff member provides approximately ½ FTE support to the PIPE program to perform sanitary surveys, verify field conditions and work performed by contractors, and respond to complaints by applicants and contractors.
- In addition to other duties, the County Hydrogeologist also serves as the PIPE Program Manager and is responsible for overseeing the PIPE program staff's activities, reviews and approves applications, verifies low bids, issues Notices to Proceed, authorizes payment of invoices and requests for reimbursements, monitors financial progress of the Program, and provides technical review of proposed County actions that may impact the program and estimates associated cost.

The PIPE Program also depends upon the expertise and assistance of other County Departments. The County Purchasing and Accounting Departments are critical to the success of the PIPE program in that requests for quotes are issued on a weekly basis and reimbursements requests are processed quarterly. At the request of Purchasing, an RFQ

for updating the qualified contractors list was issued in late July 2012 and the updated list should be available by September 2012.

County Building, Planning and Zoning is also instrumental in ensuring compliance with permitting and inspection requirements for plumbing permits and septic tank abandonment, preparing scopes of work for septic tank replacement, as well as assistance in resolving zoning and land use issues. Technical Services Department staff continues to assist the PIPE program by addressing some technical questions, and coordinating the Valley Utilities Project with PIPE staff. PIPE staff also coordinates with the Solid Waste Department to assist applicants in the disposal of waste that may prohibit their participation in the program. ABCWUA New Customer Service is also an important partner in implementation of the PIPE program in establishing accounts for PIPE applicants and determining UEC charges.

The anticipated start up of the CONNECT loan program (a similar but separate program – i.e. a loan based, rather than grant-based approach) will place additional duties on the existing PIPE staff. However, because of the substantial completion of the Valley Utilities Project, it appears that the PIPE staff can adequately service the anticipated increase in work load.